GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1680
ANSWERED ON:02.08.2001
INTERNATIONALISATION OF INDIAN TEXTILE INDUSTRY
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Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have stressed the need for internationalisation of the Indian textile industry to face the challenges of the rapidly changing world textiles scenario; and

(b) if so, the steps taken in this regard and the extent to which the textile industry has changed its course of operation in view of the global market ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) and (b): Government is fully committed to face the challenges of changing global scenario in textiles and has decided to encourage investments for modernisation and upgradation of the textile industry. Government announced National Textile Policy - 2000 (NTxP-2000) to provide an enabling environment to make the domestic textile industry strong enough to face growing global competition and de-reserved the woven segment of readymade garment sector to allow the industry to achieve desired economies of scale. In order to implement promises and announcements under NTxP-2000, a `Textile Package` was announced in the Budget 2001-02 to encourage investment in the textile sector. Some of the important provisions of the `Textile Package` are:-

(i) Excise duty structure on textile items has been generally rationalized to achieve growth and maximum value addition.

(ii) Customs duty has been reduced from 15% to 5% on 159 specified textile and garment machineries. In addition, 12 important items of machineries including shuttleless looms have also been exempted from countervailing duty. A programme has been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

(iii) Assistance under Technology Upgradation Fund Scheme (TUFS) providing for a reimbursement of 5% out of interest is available to textile industry for modernisation and upgradation. In addition, rate of depreciation allowance for machinery under TUFS has been raised to 50%.

(iv) A provision of Rs.10 crores has been earmarked in the Budget 2001-02 for establishment of Apparel Parks for production and export of garments. Besides a provision of Rs.15 crores has been made for the Scheme for improvement of critical infrastructure facilities at major textile production centers.